

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

20 FEB 1974

74-5109

MEMORANDUM FOR: Director of Naval Intelligence
Office of the Chief of Naval Operations
Department of the Navy
Washington, D. C. 20350

SUBJECT : Impact of Increased Trade on
Soviet Capabilities

REFERENCE : My Memorandum to you, dated
26 December 1973, Subject: Impact
of Increased Trade on Soviet Military
Capabilities

1. The attached report, Soviet Economic and Technological Benefits from Detente, is in response to a PFIAB request for an intelligence assessment of the benefits the USSR is obtaining from detente. I thought it would be of interest to you in connection with our earlier correspondence on the effects of increased US-USSR trade on the Soviet economy and Soviet military capabilities.

2. You will see that the report focuses mainly on the impact of detente on Soviet economic prospects. The conclusion of the paper is that growing US-Soviet economic relations have given the USSR a good deal of help in individual sectors but are unlikely to affect over-all Soviet growth appreciably. Although the military effects are discussed to a lesser extent, the paper concludes that the changes in US-Soviet relations under detente certainly could upgrade Soviet military capabilities unless some curbs are kept on the transfer of technology.

3. The military-economic considerations deserve fuller and separate treatment. As I noted in my December memorandum to you, several studies now under way in the Department of Defense and in CIA will, I hope, provide grist for such an assessment.

W. E. Colby
Director

Attachment

S-17.3

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Subject: Impact of Increased Trade on Soviet Capabilities

CONCUR:

Deputy Director for Intelligence

Date

OER:MErnst

Retyped DDI:EWProctor:fbr (19 February 1974)

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